

## **CHAPTER 80-1-7**

### **LEGAL RESERVES**

80-1-7-.01 Definitions. Amended  
80-1-7-.02 Records to Be Maintained. Amended  
80-1-7-.03 Amounts of Reserves to Be Maintained.  
Amended

80-1-7-.04 Repealed  
80-1-7-.05 Repealed

#### **80-1-7-.01 Definitions. Amended**

##### **(1) Legal Reserve:**

(a) Lawful money of the United States in the office and vaults of the bank.

(b) Moneys on deposit subject to immediate call with other insured banks such as approved by the Department of Banking and Finance pursuant to Code Section 7-1-370 or with a Federal Reserve Bank, except where such deposits are for the purpose of meeting reserve requirements against assets pursuant to the Federal Credit Control Act of 1969 and regulations pursuant thereto.

1. Reciprocal demand balances due to such banks shall be deducted from the balance due from those banks before making any calculations.

2. Outgoing cash letters shall be included and incoming cash letters deducted before making any calculations of available moneys on deposit.

(c) Cash items and clearings held over shall not be regarded as Legal Reserves within the meaning of this regulation.

(2) Gross Demand Deposits means the sum of all demand deposits made by other banks, the United States, states, counties, school districts, and other governmental subdivisions and municipalities, and all outstanding certified and officers' checks and letters of credit and travelers' checks sold for cash.

(3) Net Demand Deposits shall mean the gross demand deposits, less the following allowable deductions:

(a) Demand deposits which are legally secured by a pledge of bank assets to the extent of the smaller of the market value of such assets or the secured deposit balance;

(b) Net Due From Reciprocal Demand Bank Balances.

(4) Gross Time Deposits shall include savings deposits, certificates of deposit, time deposits-open accounts, and savings club accounts, and all other accounts which are subject to not less than thirty (30) days' notice, in writing, before withdrawal of the deposit or which otherwise have a fixed maturity date at which time deposits may be withdrawn.

(a) A deposit which, at the time of deposit, came within the definition of gross time deposits above, shall continue to be considered a time deposit until such time as it is presented for payment, or the required notice is given to the bank that withdrawal of funds will be made.

(5) Net Time Deposits are defined as the gross time deposits, less the following allowable deductions:

(a) Time deposits which are legally secured by a pledge of bank assets to the extent of the smaller of the market value of such assets or the secured deposit balance, and

(b) Net Due from Reciprocal Time Bank Balances.

(6) Banks eligible to act as a depository for reserves of other banks shall be either a Federal Reserve Bank or an F.D.I.C. insured bank domiciled within the United States; provided that no bank may deposit reserve balances in any such depository in excess of the greater of ten (10) percent of the depositing bank's total capital notes, common capital, and surplus, or \$100,000, unless prior approval of such depository is granted by the Commissioner.

(7) The biweekly averaging period shall commence on any Thursday and shall continue for the next consecutive 14-calendar-day period. Calculations of reserves and reserve requirements shall include data from all business days; provided banks which are open for business, making loans, taking deposits, or both, six days per week may designate to exclude data from any Wednesday, Thursday, or Saturday for which deposit ledgers are not regularly posted, but not more than one day each week may be so excluded. Wherever data is unavailable or excluded for a calendar day, data from the previous business day shall be used in lieu thereof.

Authority Ga. L. 1974, pp. 733, 820-822.

#### **80-1-7-.02 Records to Be Maintained. Amended.**

Where reserves are required pursuant to Rule 80-1-7-.03(2), each bank shall maintain, for a period of not less than two calendar years, a record of its biweekly calculations of reserve requirements and reserves maintained. Such record shall be subject to review during examinations of the bank. A copy of the recommended format to be used in calculating reserves will be available from the Department of Banking and Finance, but alternative forms may be utilized if they provide the same basic information as provided by the recommended form.

Authority Ga. L. 1974, pp. 733, 820-822.

#### **80-1-7-.03 Amounts of Reserves to Be Maintained. Amended.**

(1) Every bank shall maintain legal reserves equal to the larger of:

(a) Reserves required to be maintained pursuant to the Federal "Monetary Control Act of 1980" or

(b) Reserves required by paragraph (2) of this Rule.

(2) Average legal reserves for banks shall be maintained at the following levels:

(a) Against Net Demand Deposits..... -0-

(b) Against Net Time Deposits..... -0-

(3) The following exceptions to paragraph (2) are permitted:

(a) Not more than fifty (50) percent of the reserve against demand deposits may be invested in bonds of the United States or agencies thereof and bonds of the State of Georgia or agencies thereof at market value which are not pledged to secure other deposits and which mature in less than one year, or in certificates of deposits issued by, and Federal or Correspondent Funds sold to, approved depositories insured by the Federal Deposit Insurance Corporation; provided, each certificate must mature within one year and the aggregate amount deposited with or sold to any one bank shall not exceed \$100,000 or ten (10) percent of the depositing bank's reserve requirement, whichever is greater.

(b) The reserve against savings and time deposits may be invested in bonds of the United States or agencies thereof or obligations of this State or agencies thereof, at the market value thereof, or in certificates of deposits issued by, and Federal or Correspondent Funds sold to, approved depositories insured by the Federal Deposit Insurance Corporation, which are not pledged to secure deposits and not used to meet reserve requirements against demand deposits.

(c) Banks which are members of the Federal Reserve System may, in lieu of the reserve herein required, keep and maintain such reserve as is required for membership therein.

Authority Ga. L. 1974, pp. 733, 802-822.